



COUNTY OF LOS ANGELES

FIRE DEPARTMENT

1320 NORTH EASTERN AVENUE
LOS ANGELES, CALIFORNIA 90063-3294
(323) 881-2401

DARYL L. OSBY
FIRE CHIEF
FORESTER & FIRE WARDEN

January 25, 2012

TO: EACH SUPERVISOR

FROM: DARYL L. OSBY, FIRE CHIEF

**REQUEST TO PROCEED WITH NEGOTIATIONS FOR A SOLE SOURCE
CONTRACT WITH PRATT & WHITNEY ENGINE SERVICES, INC. TO PROVIDE
ACCESSORY MAINTENANCE, REPAIR AND MODIFICATION SERVICES FOR THE
BELL 412 HELICOPTERS**

This letter is to provide your Honorable Board advance notification that the Consolidated Fire Protection District of Los Angeles County (District) intends to enter into negotiations for a sole source contract with Pratt & Whitney Engine Services, Inc. (P&W).

Under the proposed contract, P&W will provide as-needed repair, modification and overhauls to the turbine engines and accessories installed on the District's six (6) Bell 412 helicopters. The proposed contract shall be for a period of five (5) years. The contract shall commence after approval of your Board.

These services were authorized through a Board letter dated April 1, 2008 (see attached), giving authority to the County's Purchasing Agent to complete and execute all necessary purchasing documents relative to the completion of maintenance, repair and overhauls on "Twin-Pac" engine installations, as established by the Original Equipment Manufacturer (OEM) and the Federal Aviation Administration (FAA).

Note: The current maintenance contract is with Pratt & Whitney which expires on April 1, 2012.

Per the requirements for sole source contracts \$250,000 or greater, we will proceed with negotiating the contact within two weeks unless otherwise instructed by your Board.

SERVING THE UNINCORPORATED AREAS OF LOS ANGELES COUNTY AND THE CITIES OF:

AGOURA HILLS
ARTESIA
AZUSA
BALDWIN PARK
BELL
BELL GARDENS
BELLFLOWER
BRADBURY

CALABASAS
CARSON
CERRITOS
CLAREMONT
COMMERCE
COVINA
CUDAHY

DIAMOND BAR
DUARTE
EL MONTE
GARDENA
GLEN DORA
HAWAIIAN GARDENS
HAWTHORNE

HIDDEN HILLS
HUNTINGTON PARK
INDUSTRY
INGLEWOOD
IRWINDALE
LA CANADA FLINTRIDGE
LA HABRA

LA MIRADA
LA PUENTE
LAKEWOOD
LANCASTER
LAWDALE
LOMITA
LYNWOOD

MALIBU
MAYWOOD
NORWALK
PALMDALE
PALOS VERDES ESTATES
PARAMOUNT
PICO RIVERA

POMONA
RANCHO PALOS VERDES
ROLLING HILLS
ROLLING HILLS ESTATES
ROSEMEAD
SAN DIMAS
SANTA CLARITA

SIGNAL HILL
SOUTH EL MONTE
SOUTH GATE
TEMPLE CITY
WALNUT
WEST HOLLYWOOD
WESTLAKE VILLAGE
WHITTIER

Each Supervisor
January 25, 2012
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If you have any questions, please contact me at (323) 881-6180.

DLO:jc

Attachment

c: William T Fujioka
Brence Culp
Georgia Mattera
Andrea Sheridan Ordin
Sergio Vasquez
Randi Tahara
Joseph Charney
Susan Nissman
Rick Velasquez
Sussy Nemer



COUNTY OF LOS ANGELES

FIRE DEPARTMENT

1320 NORTH EASTERN AVENUE
LOS ANGELES, CALIFORNIA 90063-3294

P. MICHAEL FREEMAN
FIRE CHIEF
FORESTER & FIRE WARDEN

April 1, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVE HELICOPTER ENGINE MAINTENANCE AND REPAIR SERVICES
CONTRACT WITH PRATT & WHITNEY CANADA CORPORATION,
AS REQUIRED BY THE CONSOLIDATED FIRE PROTECTION DISTRICT
(ALL DISTRICTS) (3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD, ACTING AS THE GOVERNING BODY OF
THE CONSOLIDATED FIRE PROTECTION DISTRICT:**

1. Approve and instruct the Chair to sign the attached three-year contract with Pratt and Whitney Canada Corporation (P&WC) (Attachment A), to provide engine maintenance repair services, including the necessary Engine Rental Agreement to facilitate major engine repairs for the Consolidated Fire Protection District of Los Angeles County (District). This contract will not exceed the current Board approved annual contract authority of \$2.5 million for the maintenance and repair of District's fleet of aircraft. This contract will be effective on the date of Board approval.
2. Authorize the Fire Chief or his designee to suspend and/or terminate this contract for engine maintenance and repair services, if deemed necessary, in accordance with the terms of this contract.
3. Find that this contract for helicopter engine maintenance and repair services is exempt from the provisions of the California Environmental Quality Act (CEQA).

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TEMPLE CITY
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WESTLAKE VILLAGE
WHITTIER

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this recommended action is to enable the District to obtain continued maintenance and repair services required for flight readiness of the District's helicopters. The recommended contractor will provide intermittent, as needed, inspection, repair, modification and overhauls to the turbine engines and accessories installed on the District's Bell 412 Helicopters. The District currently has a fleet of six (6) helicopters powered by P&WC's Twin-Pac Engines; therefore obtaining the requested services from the Original equipment Manufacturer (OEM) will ensure continuity in the service of the Bell 412 helicopters.

Approval of the recommended action will enable the District to continue to provide essential services throughout Los Angeles County, such as emergency helicopter medical transports and wildland firefighting.

Implementation of Strategic Plan Goals

Approval of the recommended action will enable the District to continue to fulfill the mission of protecting lives, property and the environment by providing fire protection and life safety services. It is consistent with the overall County Strategic Plan Goal, Goal 8, under Public Safety.

FISCAL IMPACT/FINANCING

The District's Fiscal Year 2007-08 operating budget includes sufficient funding for these services. Funding required for continuing these services will be budgeted annually. The rates are attached as Attachment B. There will be no cost of living adjustments throughout the term of this contract. There is no impact to net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On previous occasions, your Board has authorized the County Purchasing Agent to complete and execute all necessary documents for purchase orders for inspection and repair of the Bell 412 helicopter engines manufactured by P&WC. As the required services of the Bell 412 helicopter engines will surpass \$100,000, the District needs to obtain Board approval for this contract.

The recommended contractor is the OEM and all inspection, maintenance, repairs and overhauls of the Bell 412 helicopter engines completed by P&WC will be done in accordance with OEM and Federal Aviation Administration guidelines.

Health and Safety Code Section 13861 authorizes the District to contract with independent contractors to perform such services for the District. Pursuant to Los Angeles County Code, Section 2.121.250, because the services are needed on a part-time or intermittent basis, this contract is not a Proposition A contract.

ENVIRONMENTAL DOCUMENTATION

The services provided through this contract will not have a significant effect on the environment and therefore this contract is exempt from CEQA, pursuant to Section 15061(b) (3) of the CEQA Guidelines.

CONTRACTING PROCESS

The District notified your Board on March 23, 2007 of our intent to negotiate a sole source contract with P&WC, per your Board's contracting policy requirements. In addition, we have provided the sole source checklist (Attachment D) approved by the Chief Executive Office detailing our justification for use of a sole source contract.

In 2005, the District issued a solicitation for these requested services; however the only responding company was the contractor whom we are presently requesting a contract with. A business decision was made to negotiate a contract with P&WC, as they are the OEM, and can provide these services more economically through a contract.

CBE information for P&WC is shown in Attachment C. P&WC has agreed to comply with all Board-directed contract clauses except as specified below:

1. **Assignment and Delegation** – P&WC insisted this provision be deleted from the contract in its entirety as they do not believe it is practical to notice or receive permission from the District regarding assignment and/or delegation.
2. **Budget Reductions** – P&WC insisted this provision be deleted from the contract in its entirety.

P&WC agreed to comply with provisions numbered three (3) through ten (10) below, however they insisted including the statement "...Contractor shall comply with the specific laws outlined in the paragraph to the extent that work is performed in the County's jurisdiction", to the provisions as the majority of the work will take place in Canada. P&WC is headquartered in Canada as well.

3. **Jury Service Program**
4. **Consideration of Hiring County Employees Targeted for Layoff/or Re-Employment List**
5. **Consideration of Hiring GAIN/GROW Program Participants**
6. **Contractor's Acknowledgement of District's Commitment to the Safely Surrendered Baby Law**
7. **Contractor's Warranty of Adherence to District's Child Support Compliance Program**

8. Nondiscrimination and Affirmative Action

9. Notice to Employees Regarding the Federal Earned Income Credit

10. Termination for Breach of Warranty to Maintain Compliance with District's Child Support Compliance Program

The following contract provisions relating to insurance/indemnification coverage are areas within the negotiated contract that depart from the Board's directed clauses:

11. Indemnification – P&WC insisted the existing contract language in this provision be amended to include the following: *"Contractor shall not be responsible for any indirect, incidental or consequential damages incurred by the District, the County, its Special Districts, elected and appointed officers, employees and agents relative to this provision, including, with limitation, economic loss, loss or damage to any property or person and any other exemplary, punitive or similar damage to any property or person."*

12. General Insurance Requirements - P&WC insisted the existing contract language in this provision be amended as follows: *"Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by the District for claims or losses arising out of Contractor's negligence."*

13. Evidence of Insurance – P&WC insisted on deleting the following language from the insurance provision:

- Include copies of the additional insured endorsement to the commercial general liability policy, adding the County of Los Angeles, its Special Districts, its officials officers and employees as insureds for all activities arising from this Contract;
- Identify any deductibles or self-insured retentions for the District's approval. The District retains the right to require the Contractor to reduce or eliminate such deductibles or self-insured retentions as they apply to the District, or, require the contractor to provide a bond guaranteeing payment of all such retained losses and related costs, including, but not limited to, expenses or fees, or both, related to investigations, claims administrations, and legal defense. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

14. Insurer Financial Ratings – P&WC insisted the existing contract language be amended as follows: *"Insurance is to be provided by an insurance company with an A.M. Best rating of not less than A:VII unless otherwise approved by the District"*

15. Failure to Maintain Coverage – P&WC insisted the existing contract language be amended as follows: *"The Contractor has submitted, pursuant to the District's written*

request, evidence of insurance which has been deemed acceptable by District. Contractor shall furnish, upon request by the District, evidence of insurance in similar format to District each year throughout the term of this Contract. Failure by the Contractor to maintain the required insurance, or to provide evidence of insurance coverage acceptable to the District, pursuant to its written request, shall constitute a breach of the Contract upon which the District may terminate or suspend this Contract."

- 16. Compensation for District Costs** - P&WC insisted the existing contract language be amended as follows: *"In the event that the Contractor fails to comply with any of the indemnification of this contract for which it has been adjudicated that Contractor is otherwise responsible for, and such failure to comply results in any actual costs to the District that are not considered consequential damages, the Contractor shall pay full compensation for those costs incurred by the District."*

Although these terms and conditions were aggressively negotiated by the District with the assistance of the CEO Risk Management and County Counsel, the provisions as described above represent the best position that could be obtained by the District. This contract is submitted to your Board for approval with the District's belief that it represents a minimal risk position for the District given the District's need for these services. The nature of this contract is to provide maintenance inspection and service that is necessary and essential to the safe flight of the Bell 412 helicopters.

It is recommended that your Board approve this contract with the identified exceptions that were negotiated, based upon the identified business and operational needs for this contract.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the helicopter engine maintenance repair services contract will allow the District to continue to obtain inspection, repair and maintenance services for its Bell 412 helicopter fleet. This fleet serves a critical role in fire suppression, disaster response and recovery and emergency medical response provided by the District throughout Los Angeles County.

Additionally, approval of this contract will allow the District to continue to obtain intermittent, as-needed maintenance and repair services for its Bell 412 helicopter fleet. As evidenced by the recent wildfires, these services are critical in circumstances which necessitate a quick response to threats to life, property and the environment.

The Honorable Board of Supervisors
April 1, 2008
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CONCLUSION

Upon approval by your Honorable Board, please return to the District three (3) original certified copies of the adopted Board Letter and attachments to the following offices:

1. Consolidated Fire Protection District Of Los Angeles County
Executive Office
1320 N. Eastern Avenue
Los Angeles, CA 90063
Attention: Chief Deputy Gary Lockhart
2. Consolidated Fire Protection District Of Los Angeles County
Support Services Bureau
1320 N. Eastern Avenue
Los Angeles, CA 90063
Attention: Deputy Chief Jesus Burciaga
3. Consolidated Fire Protection District of Los Angeles County
Materials Management Division
5801 S. Eastern Avenue, Suite 100
Commerce, CA 90040
Attention: James C. Ealey, Division Chief

It is requested that the Executive Office of the Board notify the District's Contracts Administrator, Lucy Guadiana, at (323) 838-2275 when the documents become available.

Respectfully submitted,


P. MICHAEL FREEMAN

PMF:lg

Enclosures

c: Chief Executive Officer
County Counsel
Auditor-Controller